



## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-174, OMB Control No. 3235-0179]

### Submission for OMB Review; Comment Request; Extension: Rule 31a-2

Upon Written Request, Copies Available From

Securities and Exchange Commission

Office of FOIA Services

100 F Street, NE

Washington, DC 20549-2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the “Commission”) has submitted to the Office of Management and Budget (“OMB”) a request for extension of the previously approved collection of information discussed below.

Section 31(a)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*) (the “Act”) requires registered investment companies (“funds”) and certain underwriters, broker-dealers, investment advisers, and depositors to maintain and preserve records as prescribed by Commission rules. Rule 31a-1 (17 CFR 270.31a-1) under the Act specifies the books and records that each of these entities must maintain. Rule 31a-2 (17 CFR 270.31a-2) under the Act specifies the time periods that entities must retain certain books and records, including those required to be maintained under rule 31a-1.

The retention of records, as required by the rule, is necessary to ensure access to material business and financial information about funds and certain related entities. We periodically inspect the operations of funds to ensure they are in compliance with the Act and regulations under the Act. Due to the limits on our resources, however, each fund may only be inspected at intervals of several years. In addition, the prosecution of persons who have engaged in certain violations of the federal securities laws may not be limited by timing restrictions. For these

reasons, we often need information relating to events or transactions that occurred years ago. Without the requirement to preserve books, records, and other documents, our staff would have difficulty determining whether the fund was in compliance with the law in such areas as valuation of its portfolio securities, computation of the prices investors paid, and, when purchasing and selling fund shares, types and amounts of expenses the fund incurred, kinds of investments the fund purchased, actions of affiliated persons, or whether the fund had engaged in any illegal or fraudulent activities. As part of our examinations of funds, our staff also reviews the materials that directors consider in approving the advisory contract.

There are 2,754 funds currently operating as of December 31, 2021, all of which are required to comply with rule 31a-2. The Commission staff estimates that, on average, a fund spends 220.4 hours annually to comply with the rule. The Commission therefore estimates the total annual hour burden of the rule's and form's paperwork requirements to be 606,981.60 hours. In addition to the burden hours, the Commission staff estimates that the average yearly cost to each fund that is subject to rule 31a-2 is about \$40,577.95. The Commission estimates total annual cost is therefore about \$111.8 million.

Estimates of average burden hours and costs are made solely for purposes of the Paperwork Reduction Act and are not derived from a comprehensive or even representative survey or study of the costs of Commission rules and forms. Compliance with the collection of information requirements of the rule is mandatory. Responses to the disclosure requirements will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

The public may view background documentation for this information collection at the following website: [www.reginfo.gov](http://www.reginfo.gov). Find this particular information collection by selecting "Currently under 30-day Review - Open for Public Comments" or by using the search function. Written comments and recommendations for the proposed information collection should be sent within 30 days of publication of this notice by **[INSERT DATE 30 DAYS AFTER DATE OF**

**PUBLICATION IN THE FEDERAL REGISTER]** to (i)

MBX.OMB.OIRA.SEC\_desk\_officer@omb.eop.gov and (ii) David Bottom, Director/Chief

Information Officer, Securities and Exchange Commission, c/o John Pezzullo , 100 F Street, NE,

Washington, DC 20549, or by sending an email to: PRA\_Mailbox@sec.gov\_.

Dated: September 28, 2022.

**J. Matthew DeLesDernier,**

*Deputy Secretary.*

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